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ABSTRACT

Part-time workers are those working fewer than 35 hours per week. Of the 113 million wage and salary workers in the labor force, only 17 percent are classified as part time. Four of five part-time workers choose to work part-time rather than full-time. The 3.8 million involuntary part-time workers constitute only 3.4 percent of the work force. Part-time employment is not on the rise. Most part-time workers are not responsible for supporting a family because they are members of families with two or more workers. Seven in 10 part-time workers have family incomes of more than twice the poverty level, and 1 in 3 have family incomes exceeding four times the poverty level. The racial and ethnic breakdown of the part-time work force closely resembles that of the entire labor force. Part-time work is concentrated within three demographic groups--teenagers, senior citizens, and females. More than one-third of all part-time workers are employed in the retail trade sector of the economy, where an uneven workflow creates "rush hours" when more employees are needed for short periods of time. One-third work in other service occupations where job structure necessitates hiring part-time workers. In many instances, part-time workers are not doing the same job as full-time workers, and, therefore wage-rate comparisons based on number of hours worked are meaningless. Seventy-four percent are covered by health insurance. The majority work for small businesses. (YLB)

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POLICY WATCH

ED 419 905

Correcting Part-time Misconceptions

Employment Policies Institute

January 1998

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Correcting Part-time Misconceptions

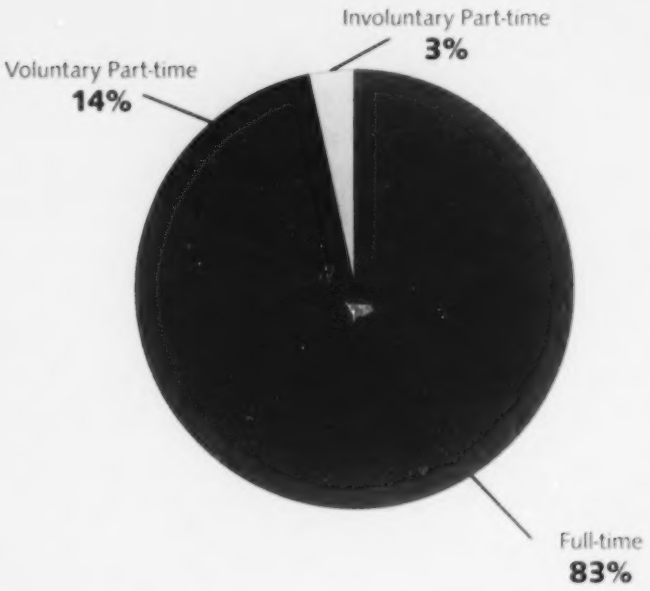
Since the 1997 Teamsters strike against the United Parcel Service, union activists and their supporters have portrayed part-time work as problematic. Thanks to their efforts, phrases such as "dangerous part-time work," "exploited part-time workers," "non-standard workers," and sound-bites such as "part-time America doesn't work," are finding their way into mainstream media. Union allies in Congress, including former Democratic National Committee Chair and current U.S. Senator Christopher Dodd (D-CT), have gone so far as to call for a panel to study the growth of part-time labor and its supposedly ill effects. This partisan call was peppered with flavors of "correcting" the situation and "ending the plight" of the part-time worker.

In this document, the Employment Policies Institute changes the debate by providing facts, rather than fictions, concerning part-time work.

What is a part-time worker?

The Bureau of Labor Statistics (BLS), the primary government agency that collects employment statistics, defines part-time workers as those working fewer than 35 hours per week, while defining those working 35 hours or more per week as full-time. Of the 113 million wage and salary workers in the labor force, only 17 percent are classified as part-time.[1]

Full-time, Voluntary and Involuntary Part-time Workers as a Percentage of the Entire Work Force: 1997



Do most part-time workers want to work full-time?

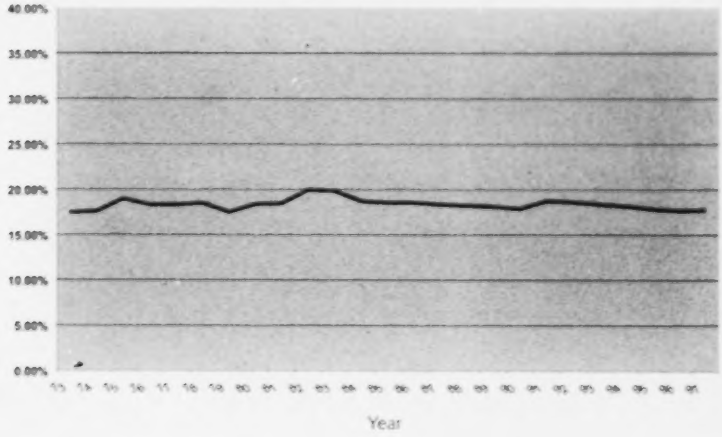
No. The BLS breaks down the part-time work force into voluntary and involuntary classifications according to worker choice. Voluntary part-time employees choose to work part-time, whereas involuntary part-time employees choose to work full-time but only find part-time work available. Most readers will be surprised to learn that four out of five part-time workers *choose* to work part-time rather than full-time, presumably because of family, school, or other commitments. The 3.8 million involuntary part-time workers constitute only 3.4 percent of the U.S. work force.

Are part-time jobs replacing full-time jobs?

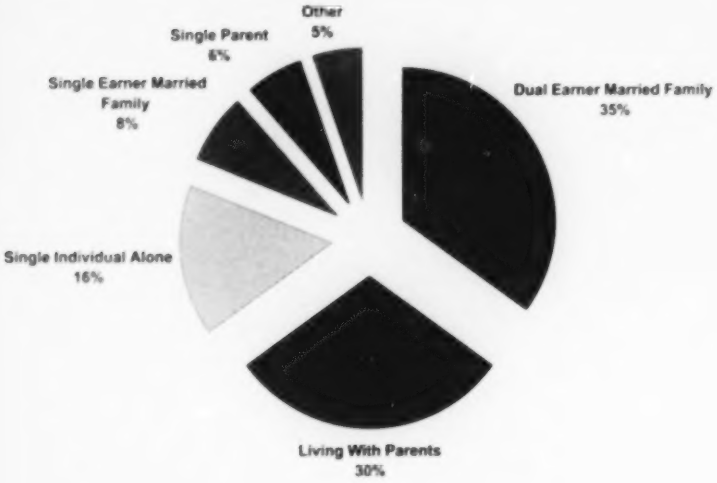
No, part-time employment is not on the rise. There has been no significant trend in jobs moving from full- to part-time status in the past twenty years. Involuntary part-time work also has remained stable at three to six percent of the total work force across this time span.

A comparison of equally industrialized nations over the 1982-92 period reveals that the U.S. was the only country not experiencing a rise in part-time employment as a share of total employment. Japan, Germany, France and the United Kingdom all saw their part-time employment shares increase.[2]

Percentage of U.S. Work Force Working Part-time 1973-1997



Part-time Workers by Family Status



How can a part-time worker support a family?

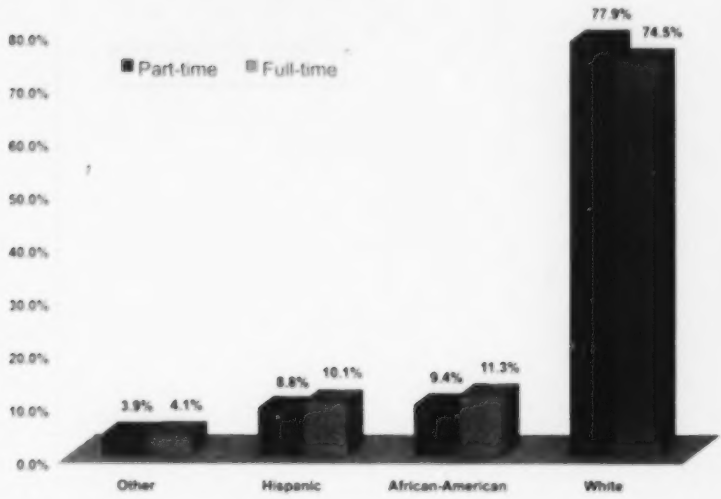
Most part-time workers are not responsible for supporting a family because they are members of families with two or more workers. In fact, 35 percent of part-time workers are members of married dual-earner families, 30 percent are children living with parents, 16 percent are single individuals living alone, and 8 percent are in married single-earner families. Only 6 percent of part-time workers are single parents, and these workers had an average family income ($18,988) that exceeds 150% of the poverty level for a family of three.

Do most part-time workers live in poverty?

No. The median family income of a *part-time* worker is $37,200 per year. This amount is roughly three times the $12,516 poverty level for a family of three (the typical and median size for a family

with a part-time employee). Seven in ten part-time workers have family incomes of more than twice the poverty level, and one in three have family incomes exceeding four times the poverty level.

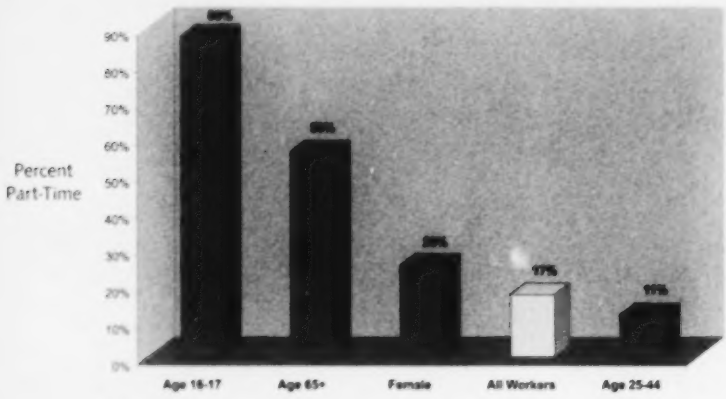
Race/Ethnic Status of Part-time Workers



Are minorities over-represented among part-time workers?

Actually, the racial and ethnic breakdown of the part-time work force closely resembles that of the entire labor force. In fact, non-Hispanic Whites represent nearly 75 percent of the entire labor force, but 78 percent of part-time workers. African-Americans represent 11 percent of the entire labor force but only 9.4 percent of part-time workers, and Hispanics represent 10 percent of the entire labor force but only 8.8 percent of part-time workers.

Demographic Concentration of Part-time Workers: 1997



Is part-time work concentrated among any demographic group?

Yes. Part-time work is concentrated within three demographic groups—teenagers, senior citizens and females. Of the 2.6 million workers aged 16-17 years, 88 percent work part-time. This statistic is consistent with the fact that teenagers are often unable to take on the responsibilities of a full-time job while attending school.

Fifty-six percent of the 2.5 million senior-citizen (65 and over) labor force choose to work part-time. Older workers often seek part-time employment to supplement Social Security or a fixed pension income stream. However, many seniors avoid full-time work opportunities because their Social Security benefits are reduced if they earn more than rules allow.

Twenty-five percent of the 54 million women in the labor force choose to work part-time. Because females are a very large demographic group, comprising almost half of the labor force, they account for 69 percent of all part-timers. The disproportionate part-time participation by females highlights the flexible scheduling needs of mothers who are unwilling or unable to take on a full-time position.

It is interesting to note that only 11 percent of the 60.5 million workers aged 25-44 years choose to work part-time. In combination with the concentration of part-timers among teens, senior citizens and women, this leads to the conclusion that, for most people, part-time employment is an option and not a last resort.

Is cost the primary motivation for hiring part-time workers?

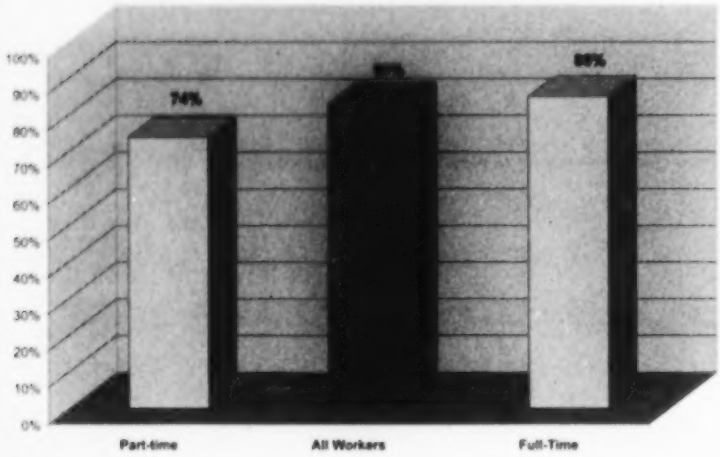
More than one-third of all part-time workers are employed in the retail trade sector of the economy (including restaurants). The uneven workflow at these establishments creates "rush hours" when more employees are needed for short periods of time. Likewise, slow periods of the workday require fewer workers.

Another one-third of part-timers work in other contemporary service occupations (e.g., contracting and hospitality positions). Because of the nature of their operations, such occupations often cannot provide a traditional full-time arrangement to their employees. Hence, it is often job structure rather than cost considerations that necessitate the hiring of part-time workers.

Does part-time work pay less than full-time?

The skill levels required to perform the duties of part-time work often are far lower than those required for full-time jobs. Many part-time positions do not require specialized training or educational achievement, and the skills involved may be quickly transferred to new employees. Full-time positions, on the other hand, often require specific skills that may be in high demand and thus are favorably compensated relative to part-timers, even within the same industry. In many instances, part-time workers simply are not doing the same job as full-time workers. In such instances, wage-rate comparisons based on the number of hours worked are meaningless.

Health Care Coverage of Part-time, Full-time and All Workers: 1997



Do part-time workers have access to health care?

Recent Census Bureau data show that 74 percent of part-time workers are covered by health insurance, either through work or through coverage provided by other earners in the household. This can be compared to the 85 percent of full-time workers that are covered (or the 73 percent of full-time workers that receive health insurance coverage from their employer). Overall, 83 percent of workers are covered by health insurance.

Are most part-time workers employed by big business?

No, the majority of part-timers work for small businesses. According to 1992 Census data, more than half of part-timers work in firms with 100 employees or fewer. This is because retail trade and service firms account for more than half of small businesses.

and part-time work is concentrated in these industries. Because small businesses are more reliant on part-time workers than are large corporations, the effects of mandates that employers provide "equal pay" or duplicative health benefits to part-timers would fall disproportionately upon small businesses.

Conclusion

The part-time "problem" to which union leaders and their supporters refer is more rhetoric than reality. The facts are clear. Most part-time workers choose to work part-time because of other interests. Part-time workers are not replacing full-time workers as a share of the total work force. Most part-timers are not responsible for supporting a family, and few live in poverty. Minorities and single parents comprise only small fractions of the part-time labor force. The vast majority of part-time workers have access to health insurance. And most firms employ part-timers because of job structure rather than cost considerations. Before policymakers enter into debate over how to address the "part-time problem" in this country, they must first determine if the "problem" even exists.

[1] All results are based upon EPI's analysis of the June 1996 through July 1997 Current Population Survey Outgoing Rotation Group or the March 1997 Current Population Survey.

[2] Data obtained from Eurostat, the Japan Bureau of Statistics and the Bureau of Labor Statistics, U.S. Department of Labor.

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